

# MPI & Poverty Reduction Strategies

## Session 6



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# Adopting MPI for the Design, Targeting & Evaluation of Social Protection Strategies

– Global Lessons –



# Where We Are

- Countries worldwide adopt MPIs to track their socio-economic progress
- MPIs play a crucial role in countries' regular Voluntary National Reviews (VNRs) filed with UNDP on their SDG progress.
- Latin America has been at the forefront of adopting MPIs for the design & evaluation of public policies and the targeting of social programmes.



# Case for Adopting MPIs in Policymaking

- MPIs hold great promise for ensuring informed policymaking.
- MPI targeting can yield fewer inclusion & exclusion errors.
- MPIs facilitate policy coordination.
- MPIs enhance civil participation in identifying & addressing manifestations of poverty, and alleviation strategies.
- MPI is a tool for assessing national information systems & facilitating governance accountability



# Country Experiences (Selected)

- Bhutan: allocating national resources to local governments
- Chile: informing public policies for housing, targeting of housing benefits & assistance with repairs, identifying educationally deprived households for aid targeting
- China: coordinating policies & targeting the most deprived hhds
- Colombia: policy coordination; targeting of rapid food & cash assistance
- Costa Rica: budget development for 18 programmes from 14 institutions, household-level aid targeting, coordinating policies, and implementing novel initiatives
- Guatemala: MPI will inform social programs & improve program targeting



(Cont.)

- Honduras: targeting poverty at the territorial level
- Mexico: aid targeting at local level
- Panama: designing & improving policies, allocating resources across regions
- Pakistan: planning, resource allocation, monitoring of social programmes
- Philippines: identifying beneficiaries of targeted assistance programs
- Sierra Leone: deriving national development priorities
- South Africa: SAMPI will be the official permanent poverty measure
- Vietnam: targeting poor within communes



# Prospects in the Arab Region

- Consultations are progressing between ESCWA & states on the construction & adoption of national MPIs.
- The MPI Assist Tool (MAT) will enable states to construct their national MPI, evaluate their status & project developmental changes.
- MPI will assist states to properly measure deprivation, locate pockets of poverty, allocate funding, assess the effectiveness of particular policies, and identify innovative poverty-reduction strategies at national & subnational levels.

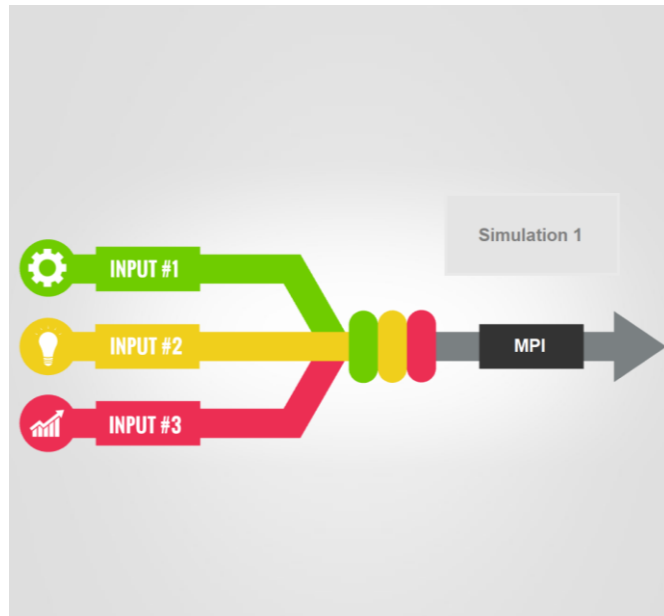


# MPI Simulation – COVID19 Impact –

– Applications to Lebanon, Iraq & Palestine –

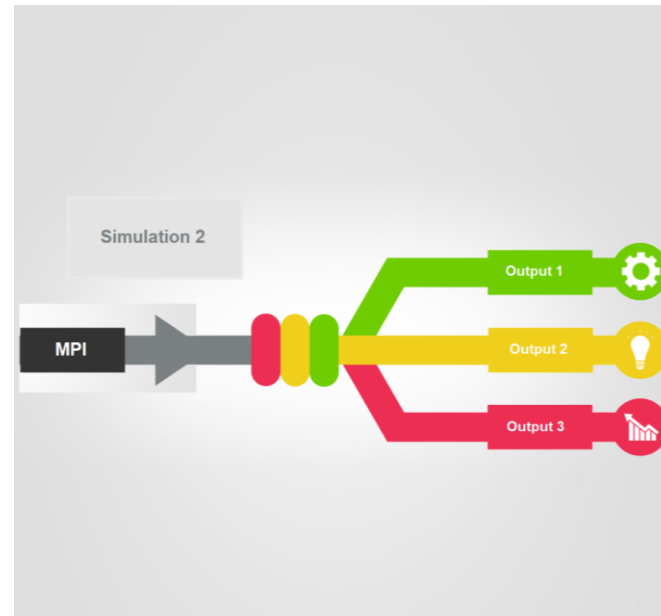


# Three Simulation Types

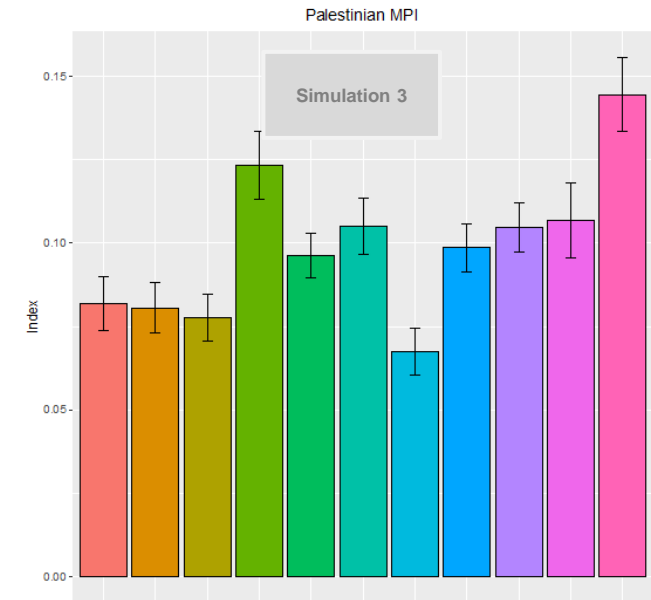


- Apply a positive/negative shock on the micro data
- Compute the MPI after shock

(The Lebanon case)



- Decide the aggregate MPI reduction target
- Get the best (3) intervention approaches (The Optimization case)

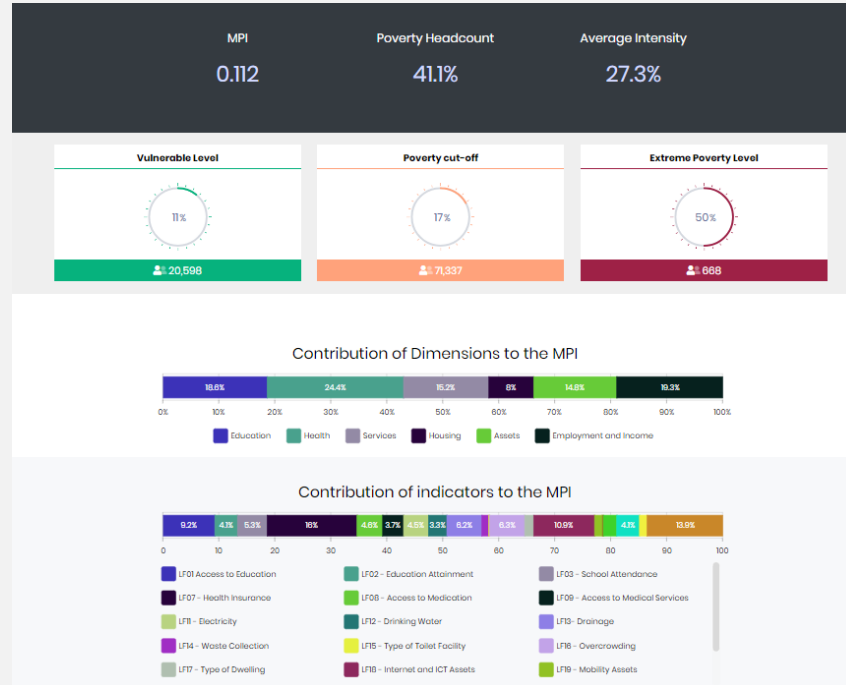


- Relate the aggregate poverty change to macro economic change

(The cases of Iraq, Palestine)

# Simulation 1 – The Case of Lebanon

## Baseline Scenario - 2019



## Quick assessment insights (WFP 2020)

Indicator	Shock Magnitude
School Attendance	-5%
Access to Medication	-64.50%
Access to Medical Services	-42.50%
ICT Assets	-5%
Mobility Assets	-4%
Domestic/ Livelihood Assets	-9%
Employment	-40.50%
School Attendance	-5%
Income	Change in CPI adjusted poverty line

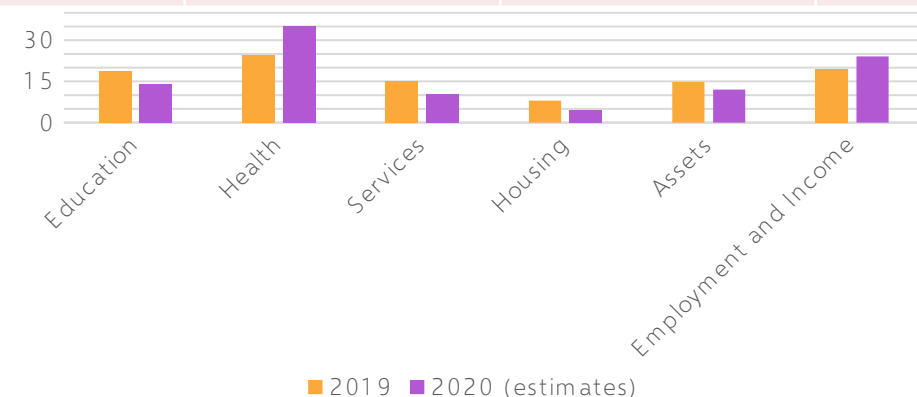
# 2019-2020 comparative statics

MPI	Poverty Headcount	Average Intensity
0.112	41.1%	27.3%

Lebanon 2019 : Lebanon 2019 - Final FW - reduced livelihood k=17%

Dimension (weight)	Indicator (weight)	Indicator Weight	Unscored Headcount Ratio	Deprived if
Education (weight=6.0%)	LF01 - Access to Education (weight=3.33%)	5.56%	36.8%	HH is deprived if there is no school public, private, elementary, complementary and secondary) within a 10 minutes walk distance
	LF02 - Education Attainment (weight=3.33%)	5.56%	12.2%	HH is deprived if all members aged 20+ are either: Not enrolled, Illiterate, Read and write, Pre-school, Elementary, Intermediate
	LF03 - School Attendance (weight=3.33%)	5.56%	13.2%	HH is deprived if any member aged 5-19 is not attending school (excluding members who completed secondary)
Health (weight=6.0%)	LF07 - Health Insurance (weight=3.33%)	5.56%	67.8%	HH deprived if any HH member has no health insurance coverage (excluding domestic workers - no data)
	LF08 - Access to Medication (weight=3.33%)	5.56%	10.9%	HH deprived if any HH member needs regular medication and can't afford it (excluding domestic workers - no data)
	LF09 - Access to Medical Services (weight=3.33%)	5.56%	8.4%	HH deprived if any HH member needs medical services and can't afford it (excluding domestic workers - no data)
Services (weight=6.0%)	LF11 - Electricity (weight=2.0%)	4.17%	17.9%	Deprived if HH has no access to electricity or a generator
	LF12 - Drinking Water (weight=2.0%)	4.17%	14.8%	Deprived if HH uses non-improved drinking water or HH uses bottled water and not improved service water
	LF13 - Drainage (weight=2.0%)	4.17%	22.7%	HH is deprived if there is no access to improved drainage technique
	LF14 - Waste Collection (weight=2.0%)	4.17%	8.8%	HH is deprived if garbage is not disposed in containers or disposed of in containers inside the building which are emptied once a week or less
Housing (weight=6.0%)	LF15 - Type of Toilet Facility (weight=3.33%)	5.56%	0.4%	HH is deprived if HH has no toilet in dwelling
	LF16 - Overcrowding (weight=3.33%)	5.56%	15.3%	HH is deprived if there are more than 2 persons aged 10+ per room
	LF17 - Type of Dwelling (weight=3.33%)	5.56%	2.8%	Deprived if the housing situation fits at least one of the following conditions: (i) home is a place other than a stand-alone house or apartment; (ii) area is less than 30m2; (iii) it has a non-permanent floor
Assets (weight=6.0%)	LF18 - Internet and ICT Assets (weight=2.0%)	4.17%	46.1%	HH is deprived if it has no internet access and has neither a phone (fixed phone or cell phone), computer, iPod, TV, DVD, satellite dish
	LF19 - Mobility Assets (weight=2.0%)	4.17%	5.1%	HH is deprived if it has neither a car nor a motorcycle and do not have access to public transportation (<10min)
	LF20 - Livelihood Assets (Reduced List) (weight=2.0%)	4.17%	0.7%	HH is deprived if it has neither a fridge, washing machine, air conditioner nor any water heater

	MPI	Average Intensity (A)	Poverty headcount (H)
2019	0.11	0.27	0.41
2020	0.23	0.30	0.73

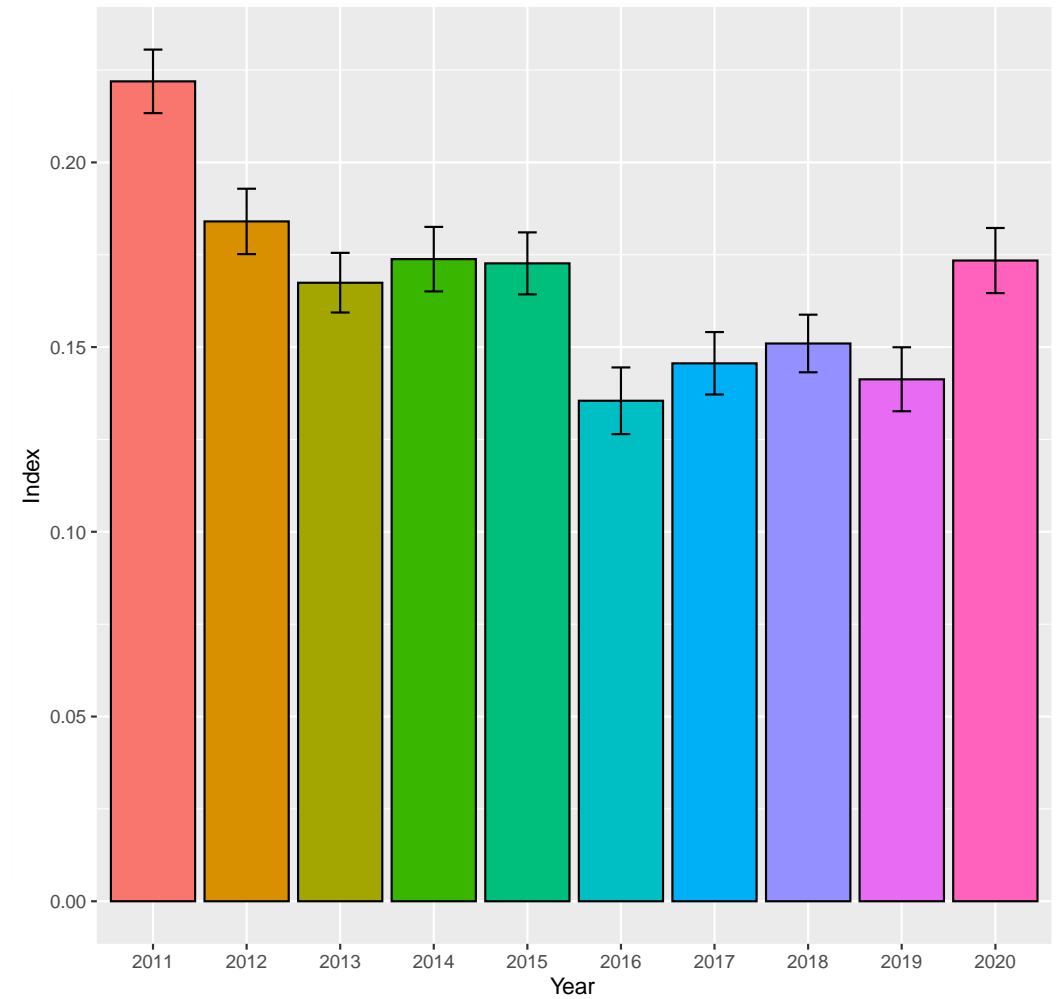
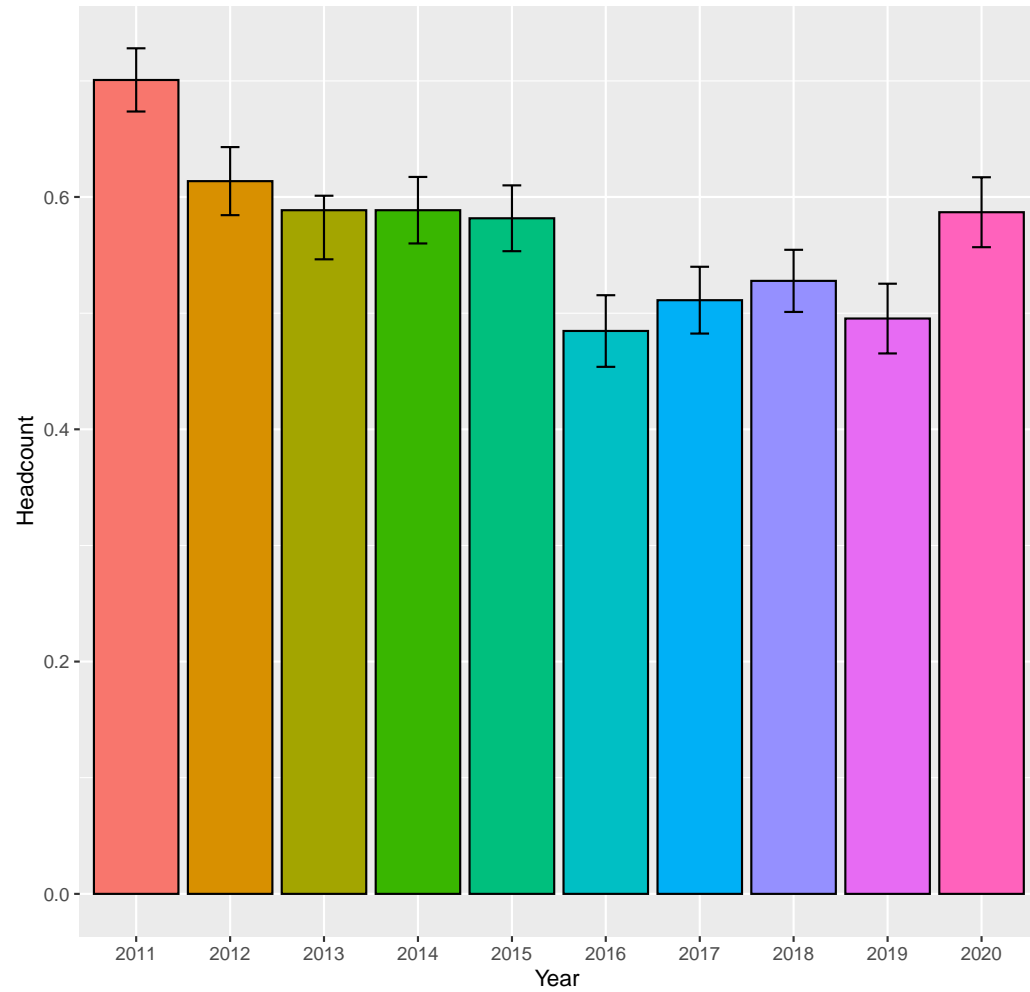


## Simulation 3 – The Cases of Iraq, Palestine

- Dimensions of a multidimensional poverty index (*MPI*) should be modeled separately, with differentiated trends & impacts on MPI
- Dimensions are linked by a function reflecting complementarities
- The aim is to produce a realistic profile of development amid shocks
- The method helps states forecast multidimensional poverty under various scenarios for developmental shocks
- & help them formulate measures addressing the projected gaps

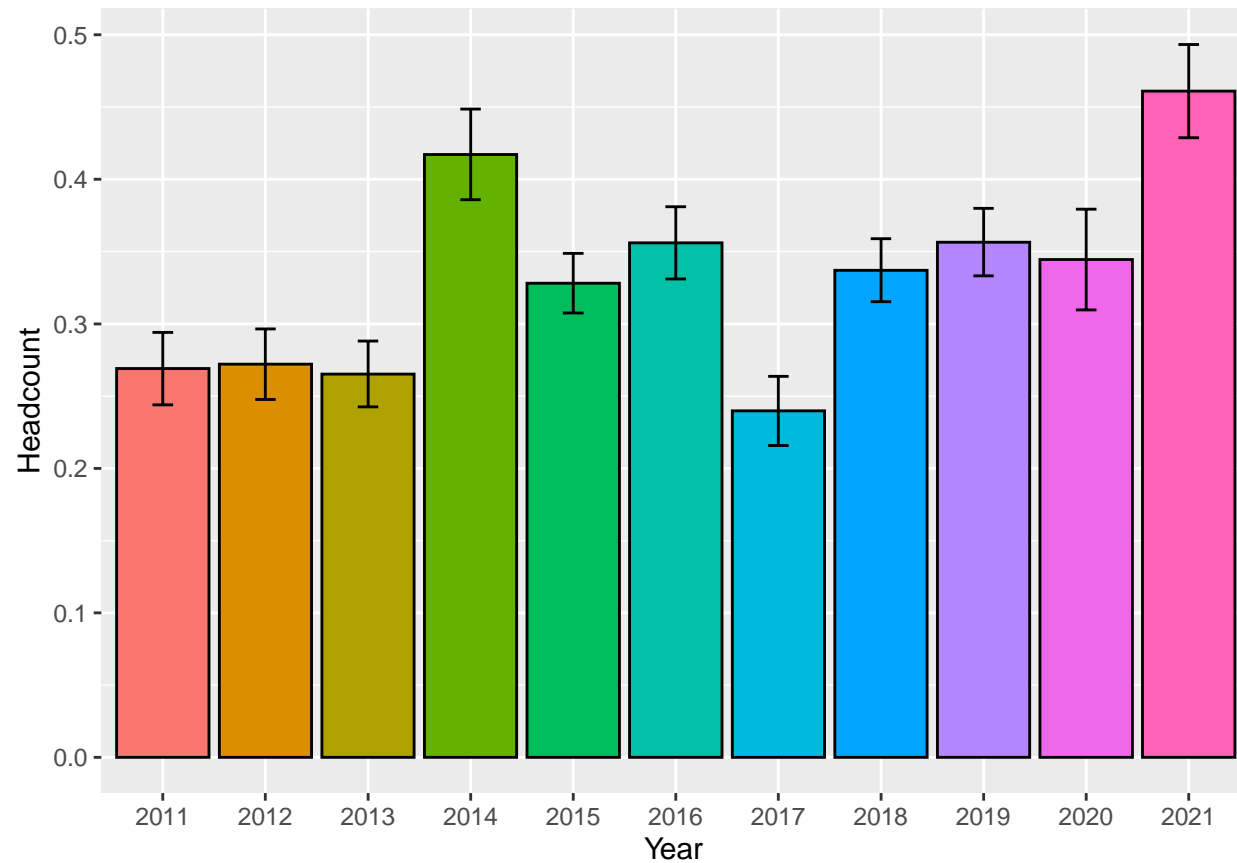
- To apply the method, use:
  - MPI framework
  - 2+ harmonized surveys: Palestinian Expenditure & Consumption Surveys 2011, 2016; or Iraqi Multiple Indicator Cluster Surveys 2011, 2018
- The model reproduces the MPI values accurately in both years – despite the 5-7 year window
- COVID-19 pandemic has set human development back by some 7 years.

# Iraq

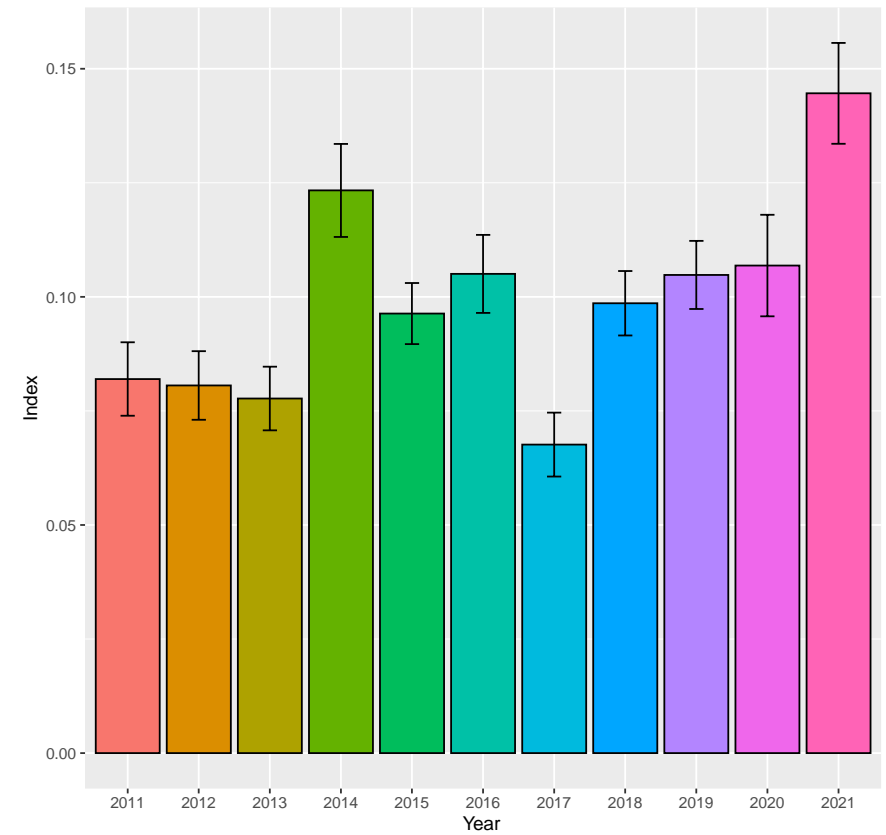


# Palestine

Incidence of multidimensional poverty in Palestine

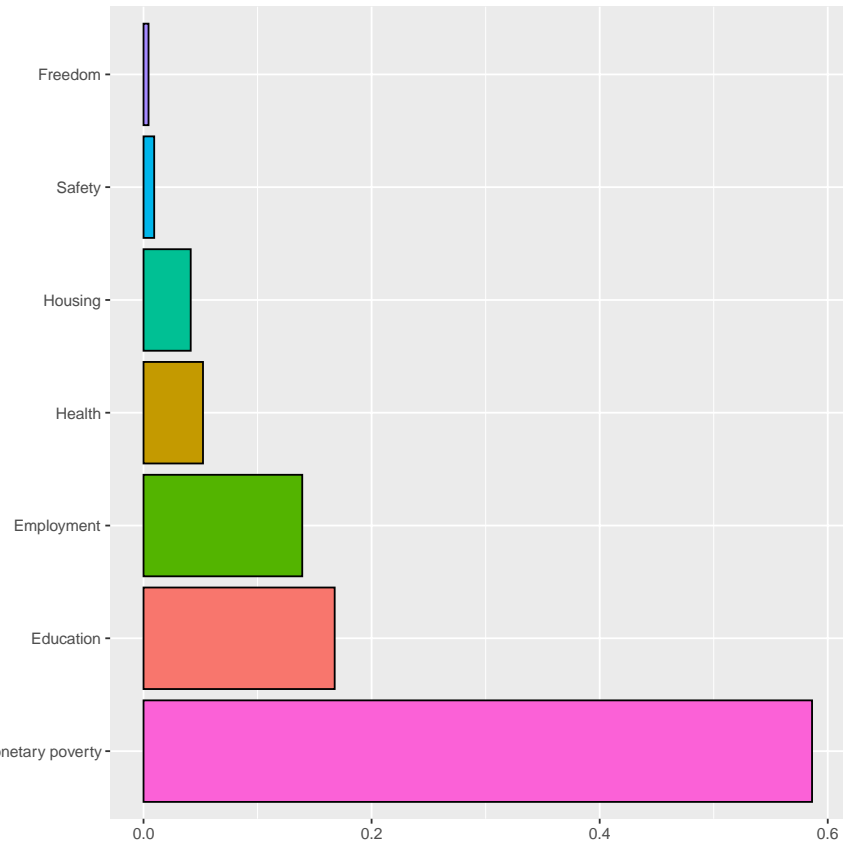


Palestinian MPI

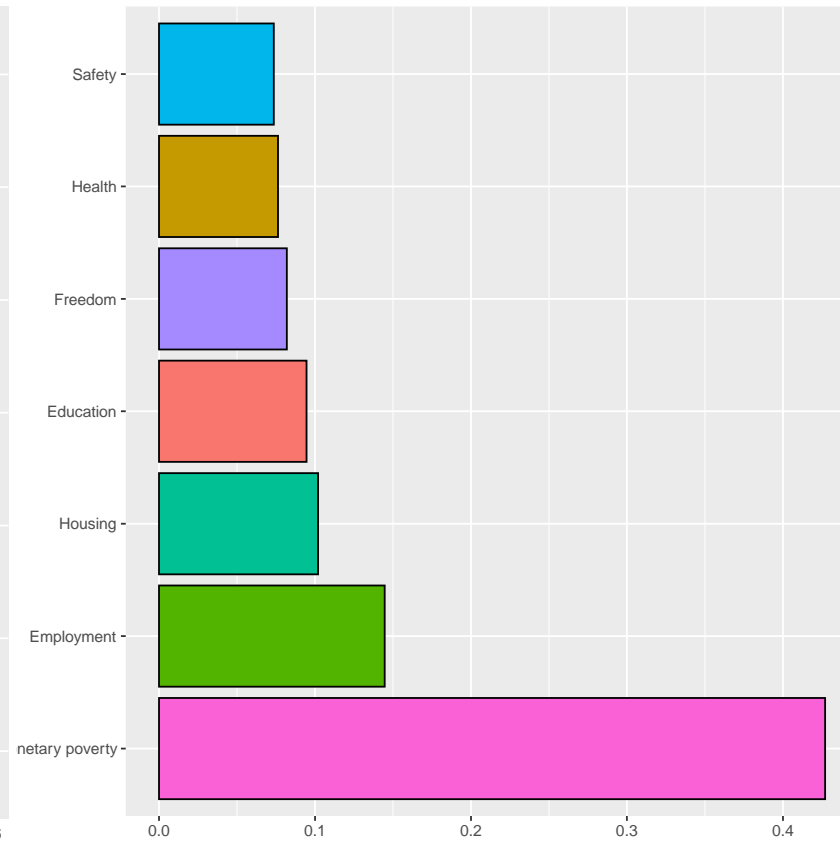


# Contribution of Indicators, Palestine

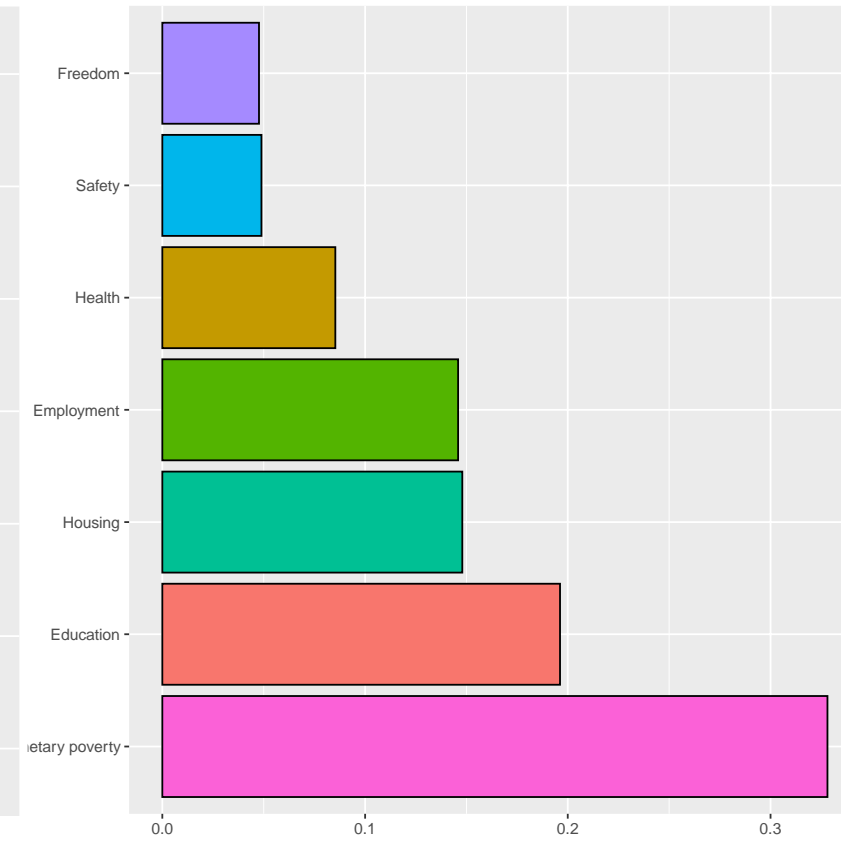
Contribution of each indicator in 2011



Contribution of each indicator in 2016



Contribution of each indicator in 2021







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Thank you!